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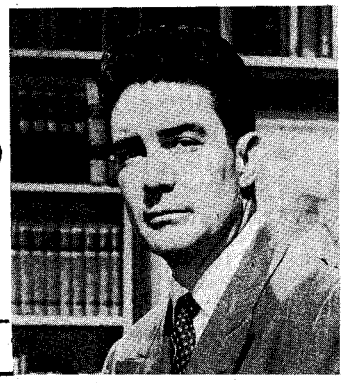

DAN SMOOT

The Great Alternative to the Great Society

There is a swelling chorus of complaints, by city and state officials, about federal-aid programs — which are characterized as wasteful, ineffective, corrupt, and destructive of local and state autonomy because of unreasonable controls imposed by Washington; yet, city and state officials clamor for more federal aid.

At the Governors' Conference in July, 1966, most of the nation's governors complained about federal usurpation of state powers and revenues — but also expressed a desire for more tax money from the federal government.

In December, 1966, the National League of Cities publicly registered complaint that the federal government is increasingly exercising control over the affairs of cities, because it "attaches too many strings to its money grants." Yet, the League passed a resolution demanding that the federal government give more tax money to cities.[1]

Why? The President of the National League of Cities — Harold Tollefson, Mayor of Tacoma, Washington—was asked that question. He replied:

"It's simple. That's where the money is."[1]

That — the federal government — is where most of our money goes; but, initially, the money is in the salaries, earned profits, investments, bank accounts, and savings of citizens and corporations of Tacoma, Dallas, and all other places whose mayors and civic leaders urge the federal government to pillage their citizens of what is theirs so that mayors and civic leaders can panhandle the Washington bureaucracy to return to the community a small portion of what it confiscated.

What can be done about all this?

Moderate and liberal Republicans are offering what they call "The Great Republican Alternative to the Great Planned Society."

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Michigan Governor George Romney has taken this Republican scheme unto his bosom, as if it were very new and his very own. But it is neither. It is nothing more than a plea for the federal government to give state governments a share of the tax money which the federals confiscate from people in the states — in other words, the tax-sharing plan which, like most proposals by moderate and liberal Republicans, was originally proposed by Democrats.

In 1964, Walter W. Heller, chairman of the President's Council of Economic Advisers, suggested that a portion of federal tax receipts be given to state governments with no strings attached. Johnson is said to have favored the idea at first, but his ego was stronger than his conviction. Johnson cannot tolerate being upstaged; and, in this case, he was. The Heller suggestion was leaked to the press before Johnson got around to announcing it. Piqued, the President rejected the proposal.[2]

In 1964, Representative Melvin Laird (Wisconsin Republican, who was Chairman of the Republican Platform Committee) put a tax-sharing suggestion in the Republican Party political platform.

After the 1964 elections, no idea could be given serious attention in Washington unless first announced by President Johnson. So, nothing more was heard of tax-sharing until the 1966 elections revealed that the people might be interested in something not hatched in Johnson's consensus incubator.

On November 17, 1966, Representative Laird proposed that Republicans sponsor, in the new Congress, a law requiring the federal government to give state governments each year a specified percentage of total federal tax receipts — with low-income states getting relatively larger gifts than high-income states — but with no federal controls on the use of the money.[2,3] It was then that the tax-sharing plan came to be called "The Great Republican Alternative to the Great Planned Society."

Representative Laird points out that just one federal department (Health, Education, and Welfare) has some 190 programs designed to alleviate everything from crime in the streets to disease in the slums. Yet, he says, "crime continues to rise, education continues to be inadequate, slums continue to exist and grow worse, more Americans go on the welfare rolls, and government services on the state and local level continue to be underfinanced and in many cases ineffective."[4]

The reason federal programs fail, Laird explains, is that "the proponents of special federal aids fail to realize that a general solution devised in Washington may very well help the situation in Milwaukee, but that same solution may compound the problem in New York."[4] Hence, Laird feels, the federal government should give state governments money, with no strings attached, and let states use it as they see fit to solve their special problems.

Representative Henry S. Reuss (Wisconsin Democrat) disapproves the Laird plan, saying that giving great sums of money to state governments as they are now organized would be "pouring federal money down a rathole." Reuss suggests that the federal government give states $5 billion a year for 5 years, with no strings attached, *except* that the states must adopt programs to "reorganize and modernize" their state and local governments.[5]

Mr. Reuss's proposal gives us an enlightening glimpse into the liberal mind: "federal money" belongs to Washington bureaucrats, and not to taxpayers from whom it was confiscated; 5 billion tax dollars a year for 5 years are not "great sums of money"; requiring a complete reorganization of state governments in compliance with guidelines created by federal bureaucrats, as a prerequisite for receiving "federal money," does not represent federal control.

No tax-sharing plan yet proposed would require the termination of existing federal-aid programs. Consider, therefore, what could happen if the federal government did share its tax revenues

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with state governments, distributing the funds "with no strings attached."

Many existing "matching-fund" federal-aid operations are called "open end" programs. This means that federal law stipulates *what percentage* of the total cost the federal government will pay, but leaves the *amount* to be decided by states. Whatever a state raises for an "open-end" federal-aid program, the federal government will match. What would keep a state from using federal "tax-sharing" funds to meet its share of "open-end" federal-aid programs already in existence? By such manipulations, state governments could bleed American taxpayers at a rate outpacing anything that Johnson has managed to do.

If city and state officials, boosters in chambers of commerce, newspaper editors, radio-tv station operators, religious and educational leaders, and other formulators of public opinion would use some of their time and talent in the educational and political job necessary to restore constitutional government in the United States, each city and state could build whatever local citizens and taxpayers wanted built.

This would save billions of tax dollars which federal spenders now waste. It would also remove the dead hand of the Washington bureaucracy, which is not only transforming the nation into a socialist dictatorship, but is also imposing on Amercan cities a uniformity of design which will convert this beautiful, infinitely various land into a dreary monotony of sameness planned by strange little people in Washington.

The availability of tax money from Washington has such a corrupting influence, however, that mere exhortation is not likely to stop present trends. Consider the Dallas story.

A few years back, any elected official who suggested that Dallas ask for federal urban renewal funds was in trouble with voters. Any school official who spoke approvingly of federal aid to education was an object of public scorn. The spirit of Dallas was the spirit of proud independence: Dallas would look after its own, considering it illegal, unconstitutional, and shameful to panhandle Washington for money and directives to do what Dallasites ought to do for themselves.

But subly, the attitude of Dallas "leaders" has changed. Now, they are whining about the need for a new "Dallas image." This involves, primarily, getting more tax money from Washington. Note these excerpts from an article on "The Dallas Image" in *The Dallas Times Herald*:

"E. O. Cartwright, ebullient president of the Dallas Chamber of Commerce, stood before some 1000 of the city's elite . . . . [and] gave his listeners a hard-hitting critique on the image of Dallas. He said it is a deteriorating image, paling beside Houston, with its fabulous Astrodome and San Antonio with its budding Hemisfair. . . .

"The fact that someone of Cartwright's stature did speak out underlines the situation as a seething one. . . .

"The staunch conservatism of only a decade ago is giving way to a 'domesticated' conservatism, with many agreeing that it is (and was) a mistake not to accept federal aid. . . .

"Times have changed when the dominant thought was, 'If we can't do with private enterprise, it won't get done.'

"Today, there is no question among most of the men who have guided the civic life of Dallas that extreme conservative philosophy hurt the city. Progress could not be brought to top speed when the city turned its back on federal urban programs designed to help finance needed projects."(6)

Recently, Dallas got 8 million tax dollars from Washington to buy the city transit company and operate it as a socialistic enterprise. Commenting on this and other aspects of Dallas' changing image, John M. Stemmons, one of our foremost civic leaders, said:

"Look at that 8 million dollars we took for new city buses. Ten years ago if I had said do that, they would have carried me off to Terrell [site

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of the Texas state hospital for the insane]. Well, if this is sinning, I say let's get on with our sinning. Let's catch up with Boston and Detroit and Chicago and Indianapolis."(6)

Mr. Stemmons could afford to move to Boston, Detroit, Chicago, or Indianapolis if he really means that he considers Dallas an inferior place; but that is not, perhaps, what he means.

What he must mean is that Dallas should get as much tax money from Washington as other cities are getting. And here we find the shoal on which our constitutional Republic is foundering.

The immorality of taking money out of the pay check of a truck driver in Poughkeepsie to help pay for activities that enrich Dallas businessmen; the loss of a city's individuality and its subservience to the federal bureaucracy that controls the dispensing of tax money; the economic absurdity of urging the federals to bleed Dallas taxpayers so that a small portion of what is confiscated from them can be returned to Dallas for projects designed and controlled in Washington; the disastrous damage of such unconstitutional operations on the constitutional system which enabled America to become the greatest nation in history — these considerations are subordinated to greed.

Many operators of small businesses, in Dallas and elsewhere, are on the verge of ruin because they cannot hire help. At the same time, there are more people on welfare and in make-work government jobs than ever before. Welfare "clients" refuse to work, because they would lose their welfare benefits for idleness if they were gainfully employed; and government's poverty warriors get higher wages for useless activities than small businesses can pay them for honest labor. Is the motivation of these spongers different from that of civic and political leaders who advocate massive pillaging of the federal treasury? No!

When greed for tax money illegally distributed by Washington bureaucrats is considered a civic virtue, there should be little wonder that greed to get something for nothing is becoming the ultimate objective in life for millions of individuals throughout the land.

The only Great Alternative to the Great Society — the only way to stop our headlong plunge toward social, economic, and political disaster — is to deny Washington officials access to the tax money which they now illegally squander: trim the federal establishment down to legal size and compel it to operate within constitutional bounds.

This could be done by the Liberty Amendment — which would repeal the 16th (income tax) Amendment, specify that treaties cannot override the Constitution, and prohibit the federal government from engaging in enterprises not authorized by the Constitution.

FOOTNOTES

(1) "National League of Cities Approves Borrowing of Federal Funds," AP dispatch from Las Vegas, Nevada, *The Dallas Times Herald*, December 11, 1966, p. A17

(2) "GOP May Propose Tax-Sharing Plan," by Rowland Evans and Robert Novak, *The Dallas Times Herald*, November 21, 1966, p. A25

(3) "If Washington Shares Tax Revenue With States," *U.S. News & World Report*, December 5, 1966, pp. 86-7

(4) "Expensive Federalism," editorial, *The Dallas Morning News*, December 1, 1966, p. D4

(5) "Tax Rebate Idea Makes States Even More Dependent on U.S.," by James Marlow, *The Dallas Times Herald*, November 22, 1966, p. A20

(6) "The Dallas Image . . . A City Caught in the Agonies of Transition," by Bill Morgan, *The Dallas Times Herald*, December 18, 1966, pp. A1, 24

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